



***United States Attorney  
Southern District of New York***

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**FORMER GOLDMAN SACHS VICE PRESIDENT AND SENIOR ECONOMIST  
PLEADS GUILTY TO INSIDER TRADING IN U.S. TREASURY BONDS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that JOHN M. YOUNGDAHL, a former Vice President and Senior Economist at Goldman Sachs & Co., Inc. ("Goldman Sachs"), pled guilty today to insider trading in United States Treasury Securities, theft of Government property, wire fraud, and conspiracy charges. YOUNGDAHL pled guilty in Manhattan federal court before United States District Judge DENISE L. COTE.

According to the Indictment and YOUNGDAHL's statements in open court during the guilty plea proceeding, YOUNGDAHL and Peter Davis, a political consultant from Washington, D.C., agreed that Davis would leak confidential information from quarterly refunding press conferences at the United States Treasury Department to YOUNGDAHL in violation of the embargo time set by the Treasury Department for the release of the information to the general public. In furtherance of the scheme, Davis attended the quarterly refunding press conference at the Treasury Department's offices in Washington, D.C. on October 31, 2001, where the Treasury Department announced that it was suspending the issuance

of 30-Year Treasury Bonds. In violation of the 10:00 a.m. embargo set by the Treasury Department for the release of that information, Davis called YOUNGDAHL at approximately 9:35 a.m. and informed YOUNGDAHL that the Treasury Department was suspending issuance of 30-Year Treasury Bonds. YOUNGDAHL, in turn, tipped several traders at Goldman Sachs who, according to the Indictment, purchased approximately \$84 million in 30-Year Treasury Bonds and approximately \$233.6 million in 30-Year Treasury Bond futures contracts before the public release of this information.

Treasury's decision to suspend issuance of the 30-Year Treasury Bond sparked one of the biggest single-day rallies in the history of the United States bond market. Although the Treasury Department inadvertently released this information on its website at approximately 9:43 a.m., shortly before the scheduled 10:00 a.m. release time, according to the Indictment, Goldman earned approximately \$3.8 million from its trading on the inside information that morning.

YOUNGDAHL also admitted in open court that he had lied to federal agents in order to obstruct the criminal investigation and had given perjured testimony before the United States Securities and Exchange Commission (the "SEC").

JOHN M. YOUNGDAHL, 44, resides in Summit, New Jersey. Mr. YOUNGDAHL faces a maximum of 30 years in prison. Sentencing is scheduled for January 30, 2004 before Judge COTE. Peter Davis previously pleaded guilty to insider trading, theft of government property, and conspiracy on September 3, 2003. Davis is awaiting

sentencing before United States District Judge SHIRA  
A.SCHEINDLIN.

Mr. COMEY praised the efforts of the United States  
Postal Inspection Service, The United States Department of  
Treasury, and thanked the SEC for its assistance in the  
investigation of this case. Mr. COMEY said the investigation is  
continuing.

Assistant United States Attorneys ROBERT H. HOTZ, Jr. and  
BRIAN D. COAD are in charge of the prosecution.

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